

# BUSINESS Update

Washington State Employment Security Department

December 2001

## Are you reporting your employees' earnings correctly?

During the first seven weeks of every quarter, we send letters to employers asking for wage and hour information on former employees. We do this because the former employee needs this information to establish a claim for unemployment benefits.

Because we need that information before you file your Quarterly Tax Report, we send an "Alternate Base Year Letter." Your prompt response to the letter allows for faster processing of the individual's claim.

When you complete the report, please use the

same figures for this letter that you use on your Quarterly Tax Report. This means **gross wages paid and actual hours worked in the quarter requested**. For example, if we are asking for gross wages in the fourth quarter, do not include wages earned in December, but paid in January.

When the reports are received and processed, we match the information from the letter to the report. We want to reduce the number of discrepancies. Errors can result in a delay of payment, overpayment, or underpayment. We appreciate your help in this area.

## EITC Makes Sense for Businesses and Employees

The Earned Income Tax Credit (EITC) is a special tax benefit for working people who earn low or moderate incomes. It has several important purposes: to reduce the tax burden on these workers, to supplement wages, and to make work more attractive than welfare.

For more information about EITC and volunteer tax assistance site locations, call the EITC hotline: 1-800-755-5317 or 1-800-833-6388 (TDD/TTY), Monday - Friday from 9a.m. to 6p.m. (PST).

## Workers Can File UI Claims via the Internet or TeleCenters

Anyone facing a layoff should know that going to a local office is not the way we do business anymore. Today, workers can apply for unemployment on the Internet or by phone. No one has to stand in line.

Laid off workers can apply for unemployment benefits on the Internet, 24 hours a day, seven days a week at [go2ui.com](http://go2ui.com).

Unions and businesses can do workers a big favor by giving them access to the Internet to apply for unemployment at [go2ui.com](http://go2ui.com). The Internet is now the most convenient way to get that unemployment application into our system.

The Unemployment Claims TeleCenters also take telephone applications in English, Spanish, and all other languages between 8:00AM and 5:00PM, Monday through Friday.

- Seattle area (206) 766-6000
- Spokane area (509) 893-7000
- Spanish callers 1-800-360-2271
- Tacoma area (253) 396-3500
- All other areas of the state 1-800-362-4636
- TDD 1-800-365-8969

TeleCenters are busiest on Mondays, so callers may get faster service Tuesday or Wednesday.

## Shared Work: An Employer/Employee Friendly Program

Is your business experiencing today's economic uncertainties? Are your business dollars being threatened by the recent forecast of the economic recession? Are you concerned as an employer, in retaining your skilled work force during a temporary business downturn? Then the **Shared Work Program** may be of benefit to your business.

Eligibility is extended to all employers, private or public, big and small. Employees, who would be eligible to receive regular unemployment insurance benefits in Washington State and are currently a full time permanent employee, are eligible to participate in the Shared Work Program.

- Employers are spared the costs of a 'reduction-in-force', the potential of losing skilled workers, and the expense of recruiting, hiring and training new employees. Plus, a savings of business dollars are realized.
- Employees weekly work hours are reduced but they are spared the hardships of full

unemployment and net more income than they would have being totally laid off.

Some other employer eligibility criteria are:

- The weekly hours of work within an affected unit/section of employees, are reduced by at least ten percent and not more than fifty percent.
- Employee 'fringe benefits' will continue to be provided on the same basis as before the reduction in work hours.
- A 'Shared Work Plan' applies to at least ten percent of employees in an affected unit or section.
- The total reduction of work hours must be in lieu of, and equivalent to layoffs, which would have affected at least ten percent of the employees in the work unit/section.

The Shared Work Program will not subsidize seasonal employers during the off season nor subsidize the traditional use of part-time employees.

For more Information, call 1-800-752-2500.

Please share this with:

- ☐ Owner
- ☐ Accountant/Bkkr.
- ☐ Business Associate
- ☐ HRM Manager
- ☐ Office Manager
- ☐ Other \_\_\_\_\_

## The Washington

### Employer Help Line

What's in it for me?

- File 'no payroll' quarterly tax reports.
- Obtain key data about your UI tax account.
- Have selected forms and/or publications faxed to you.
- Get help with your recruiting or place orders to fill anticipated job openings.
- Access these and other services 24 hours a day, any day. Just dial:

(206) 340-1400 - Seattle

(509) 892-9211 - Spokane

(253) 305-0038 - Tacoma

1-888-836-1900 - Toll Free

## It's On The Net

### Employment Security: The Right Connection

Visit Employment Security's  
Homepage at: [www.wa.gov/esd](http://www.wa.gov/esd)

The News You Need To Know About  
Employment Security.

- Take a look at our special programs for business.
- Get important tax information.
- Improve your general knowledge about ES.
- Find out what's going on -- look at our current publications.
- All that is at hand merely by visiting Employment Security's Home Page.

Finding the Right Worker  
Just Got

# Easier!

List Jobs for free

[go2worksource.com](http://go2worksource.com) lets you reach thousands of Washington job seekers daily without spending a dime. Simply go to the site, post your job listings and watch the resumes roll in.

[go2worksource.com](http://go2worksource.com)

## Employer Tax Seminar - Spokane Area

January 10, 2002 from 8:45AM to 5PM, there will be a seminar for employers needing information about requirements of the IRS, U.S. Immigration and Naturalization, Washington State Employment Security, and Washington State Department of Labor and Industries. These agencies will be providing information on employee/employer relations. Call (509) 358-7890 to register. The meeting will be held at the Small Business Administration Office, Room 150, 665 North Riverpoint Boulevard, Spokane, Washington. Located at the Spokane Intercollegiate Research and Technology Institute (SIRTI) campus.

## UIFast/Tax Working Great! Infrastructure Failures Create Problems

While the Department has been working hard to perfect the newest version of UIFast/Tax and get it out to all of our customers, the infrastructure had a few curves to throw our way.

Third quarter 2001, Department of Information Services (DIS) servers were attacked by viruses which in turn moved through the systems preventing statewide Internet access to government entities on an intermittent basis. Statewide all agencies have moved to protect systems from such viruses in the future.

Second Quarter 2001, an upgrade to the agency's Exchange System prevented e-mails reaching UI Tax Administration for processing. The new version of UIFast/Tax software does not rely on e-mail if you use the direct submit or WEB

methods to file, both released for third quarter reporting.

Even with these problems more reports then ever have been filed using UIFast/Tax and customer responses have been positive. The new version has a much friendlier user interface and an on-line filing mechanism that no longer requires creating an e-mail with attachments. It also includes enhanced edits including easier excess wage calculations.

You can update your version on line with a click of a button which means you no longer have to wait for us to send you a CD or patch, saving you time and all of us dollars. You may e-mail UIFast/Tax Help Desk staff at [uifsupport@esd.wa.gov](mailto:uifsupport@esd.wa.gov) for questions or assistance.

## Working Together to Prevent UI Overpayments

The Office of Special Investigations (OSI) continues to prevent Unemployment Insurance (UI) overpayments from occurring, thus avoiding incorrect benefit charges for employers.

Now in its first year of permanent operation, the New Hire Unit has identified more than \$2.6 million in overpaid UI benefits.

Using the new hire reports that all employers submit to the Department of Social and Health Services (DSHS), Employment Security Department (ESD) matches UI claimants currently receiving payments of UI benefits against the DSHS report of people who have recently returned to work.

If there is a match, ESD sends a New Hire Wage Verification form to the claimants to determine the earnings during weeks in question.

This process is very efficient at identifying improper payments early on in a UI claim. The older system of crossmatching UI payments against Quarterly Tax Reports is still being used as a tool to detect fraud.

In the last year, the regular crossmatch identified \$8.3 million in improper payments. Both of these fraud detection systems prevented and reversed

improper employer benefit charges. The following statistics show the preventive nature of New Hire:

- The average New Hire fraud overpayment is \$1,121, the average fraud overpayment for regular crossmatch is \$1,701, a difference of \$580 for each fraud overpayment written.
- The average New Hire non-fraud overpayment is \$220; the average non-fraud overpayment for regular crossmatch is \$410; a difference, on average, for each overpayment of \$190.

Millions of dollars in UI fraud overpayments are going undetected each year because employers routinely fail to respond to the Wage Verification forms. Employers are required to respond to these wage requests.

Do you know if your Human Resource staff respond to the Wage Verification forms? If not, it may be because they do not understand the purpose of the wage request, or who should respond.

Employers can contact the Fraud Management Unit, at 1-888-810-0210 or the New Hire Unit, at 1-888-266-1987 for assistance with filling out wage request forms or to have their questions answered. By working with employers, OSI can detect and prevent improper UI payments.

## Report a Fraud Today

Know of a dishonest contractor, employer, worker, health care provider, attorney?

**Report-a-fraud hotline:**  
**1-888-811-5974**

**Report-a-fraud-website:**  
**<http://www.lni.wa.gov/fraud/>**

The Department of Labor and Industries, in coordination with the Department of Revenue and the Employment Security Department, want to reduce fraud. You can remain anonymous.

## It's Filing Time Again

Here are a couple of tips that will help you as you prepare your annual 940 Federal Unemployment (FUTA) tax return for filing.

Check line 15 of your state Quarterly Tax Report (EMS 5208) from Employment Security. The tax rate shown there is the only state unemployment tax rate you should use for your FUTA return.

Do not include the Employment Administration Fund rate shown on line 16 of the quarterly tax report. That rate is an offset from the full rate, not part of the regular rate.

If you did not report corporate officers for state unemployment tax purposes, you should not take the offset credit for corporate officers when filing your federal return.

## Need Quarterly Tax Reporting Forms?

- Contact your local District Tax Office;
- Call (360) 902-9360;
- Send e-mail to: [taxforms@esd.wa.gov](mailto:taxforms@esd.wa.gov).

**Are you sure you wouldn't like to try UIFast/Tax Version 3.1?**

- Download Version 3.1 from the Internet at <http://www.wa.gov/esd/uifasttax/default.htm>;
- Send e-mail for CD to [uiforders@esd.wa.gov](mailto:uiforders@esd.wa.gov); or
- Call (360) 902-9636 to register.

Remember to leave your name, mailing address, phone number, and ES Reference Number (if applicable).